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IN THE

SUPREME COURT OF THE UNITED STATES

OCTOBER TERM, 1976

No. 76-1788

ST. REGIS PAPER COMPANY,
Petitioner,

v.

BEMIS COMPANY, INC.,
Respondent.

BRIEF FOR RESPONDENT IN OPPOSITION TO PETITION FOR WRIT OF CERTIORARI

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QUESTIONS PRESENTED*

Respondent suggests that there are really only two questions presented by the petition, as follows:

(1) Does the court of appeals' finding of invalidity of the patents in suit for obviousness under 35 U.S.C. §103 present an issue of such magnitude as to call for an exercise of this Court's power of supervision?

* NOTE: References to pages in the Petition for Writ of Certiorari will be P followed by the page number.

(2) Should this Court hear petitioner's argument that the standard of patentability for "articles of manufacture" should be lower than that for "machines"?

STATUTES INVOLVED

In addition to the statutes set forth in the petition (P 4), the following statute is also involved in this case:

§ 102. Conditions for patentability; novelty and loss of right to patent

A person shall be entitled to a patent unless—

(a) the invention was known or used by others in this country, or patented or described in a printed publication in this or a foreign country, before the invention thereof by the applicant for patent, or

(b) the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of the application for patent in the United States, or

(c) he has abandoned the invention, or

(d) the invention was first patented or caused to be patented, or was the subject of an inventor's certificate, by the applicant or his legal representatives or assigns in a foreign country prior to the date of the application for patent in this country on an application for patent or inventor's certificate filed more than twelve months before the filing of the application in the United States, or

(e) the invention was described in a patent granted on an application for patent by another filed in the United

States before the invention thereof by the applicant for patent, or

(f) he did not himself invent the subject matter sought to be patented, or

(g) before the applicant's invention thereof the invention was made in this country by another who had not abandoned, suppressed, or concealed it. In determining priority of invention there shall be considered not only the respective dates of conception and reduction to practice of the invention, but also the reasonable diligence of one who was first to conceive and last to reduce to practice, from a time prior to conception by the other.

STATEMENT OF THE CASE

Petitioner seeks review of the decision of the Court of Appeals for the Seventh Circuit holding Lokey U.S. patent 3,650,460 and Goodrich U.S. reissue patents 28,317 and 28,318 invalid for obviousness under 35 U.S.C. §103, the court of appeals citing *Hotchkiss v. Greenwood*, 52 U.S. (11 How.) 248 (1851); *Graham v. John Deere Co.*, 383 U.S. 1 (1966), *Anderson's-Black Rock v. Pavement Salvage Co.*, 396 U.S. 57 (1969), and *Sakraida v. Ag Pro, Inc.*, 425 U.S. 273 (1976) (A 2, 6-7).

The Lokey patent relates to a paper bag characterized by the court of appeals as consisting of four old elements: (1) the gussets, (2) the pinch bottom, (3) the three-step feature at top and bottom of the bag, and (4) the multiple layers (A 6). The court of appeals found the first three elements in Poppe U.S. patent 2,209,901 (A 6). The fourth element has been known in the bag industry for many years—petitioner admitted it has sold bags with multiple layers (*i.e.*, multiwall bags) since the early 1930's (A 6). The court of appeals not surprisingly found that

making the old Poppe bag with multiple layers was obvious (A 6-7).

The two Goodrich reissue patents were characterized by the court of appeals as covering refinements of the Lokey bag, the only features distinguishing these reissue patents from the Lokey patent being progressive stepping of the plies and the use of hot melt adhesive (A 7). The court of appeals, referring to the Windmöller and Hölscher French patent 1,227,176 for stepping of the plies and to petitioner's own admission that hot melt adhesive was well known in the art, found it obvious to use these features in the Lokey bag (A 7).

While a number of issues other than invalidity for obviousness were raised by respondent on appeal to the court of appeals, including such issues as invalidity and unenforceability of all three patents in suit arising from petitioner's lack of candor in the Patent and Trademark Office, noninfringement, and intervening rights of respondent with respect to the reissue patents under 35 U.S.C. §252, the court of appeals decided the case on the sole ground that each of the three patents in suit was invalid for obviousness under 35 U.S.C. §103, as described above, without reaching the other issues.

ARGUMENT

This case does not warrant review by this Court because it involves only a routine situation wherein patents have been correctly held invalid for obviousness as a matter of law by a court of appeals under established precedents of this Court. Petitioner's arguments re "synergism," "new law" and "article of manufacture" do not remove the case from routine, being diversionary and groundless, as respondent will show. No conflict of decisions or important federal question is involved in this petition. Nor has the court of appeals departed from the accepted and usual course of judicial proceedings or sanctioned such a departure by a lower court.

I. The Court of Appeals Correctly Applied Controlling Precedent in Invalidating the Patents in Suit.

Significantly, while petitioner vehemently denies that this Court has ever held "synergism" to be required for patentability, petitioner ignores the consistent holdings of this Court to the same effect, viz., that for a combination of old elements to be patentable, the combination must result in an effect greater than the sum of the effects of the old elements taken separately. Thus, petitioner repeatedly denies the applicability of "synergism" to patentability (P 8-12), and nowhere even acknowledges that this Court has over many years consistently required that for a patent on a combination of known elements to be valid the combination must pass the "effect greater than the sum of the several effects taken separately" test.

The essence of this test may be traced at least as far back as *Reckendorfer v. Faber*, 92 U.S. 347 (1876). It has been stated in various ways and refined in numerous subsequent decisions of this Court, including *Lincoln Engineering Co. v. Stewart-Warner Corp.*, 303 U.S. 545, 549 (1938); *Great Atlantic & Pacific Tea Co. v. Supermarket Equipment Corp.*, 340

U.S. 127, 152 (1950) ("The conjunction or concert of known elements must contribute something; only when the whole in some ways exceeds the sum of its parts is the accumulation of old devices patentable"); *Anderson's-Black Rock v. Pavement Salvage Co., supra,* at 60 ("The combination . . . though perhaps a matter of great convenience, did not produce a 'new or different function' [citations omitted] within the test of validity of combination patents"); and *Sakraida v. Ag Pro, Inc., supra,* at 282 ("this patent simply arranges old elements with each performing the same function it had been known to perform, although perhaps producing a more striking result than in previous combinations. Such combinations are not patentable under standards appropriate for a combination patent. [citations omitted]").

Thus, petitioner is simply objecting to the court of appeals' use of the term "synergism" as a concise one-word statement of the "effect greater than the sum of the several effects taken separately" test, even though this Court in both *Anderson's Black Rock* and *Sakraida* specifically utilized the term "synergistic" in describing the standard of patentability appropriate for a combination patent. The court of appeals simply and straightforwardly applied the controlling decisions of this Court in holding petitioner's patents invalid for obviousness, and did not create new law.

II. **The Court of Appeals Applied the Graham Test in Invalidating Petitioner's Patents.**

Petitioner's argument (P 12) that the court of appeals substituted the test of synergism for the *Graham* test is fallacious. In fact, the court of appeals referred specifically to *Graham*, stating:

> "The question of patent validity is ultimately one of law and we must examine the facts ourselves in determining whether the standard of section 103 has been met. See *Graham v. John Deere Co.*, 383 U.S. at 17-18, 86 S.Ct. 684." (A 6)

Following the *Graham* guidelines, the court of appeals specifically ascertained the differences between the prior art and the claims at issue, and found that these differences did not involve anything which was non-obvious under 35 U.S.C. § 103 considering the level of ordinary skill in the art. Thus, the court of appeals found that the Lokey bag differed from the prior art "finished product" disclosed in the Poppe patent only in the multiple layer feature. The Court not only found this to be obvious, but expressed itself very strongly on the matter by stating:

> "It is difficult to conceive of a more obvious method of strengthening a certain type of bag than putting one bag inside another." (A 7)

With respect to the reissue patents, the court of appeals specifically pointed out that the only features distinguishing them from the Lokey patent were progressive stepping of the plies and the use of hot melt adhesive. The court determined that neither of these elements

> "is sufficiently nonobvious to sustain the validity of the reissue patents under section 103." (A 7)

Thus, in holding the petitioner's patents invalid for obviousness, the court of appeals definitely followed the guidelines laid down by this court in *Graham, supra.* Since the patents were for combinations of old elements, the court of appeals also followed the guidelines laid down by this court in *Great Atlantic & Pacific Tea Co., supra, Anderson's-Black Rock, supra,* and *Sakraida, supra.* Would petitioner have the court follow *Graham* only, to the exclusion of these other three precedents?

III. **The Court of Appeals Did Not Commit Any Error Concerning Any Findings of the District Court.**

The court of appeals' finding of obviousness of each of the three patents in suit was wholly in accord with *Great Atlantic & Pacific Tea Co., supra.* There this Court found the patent in suit invalid despite a finding by the district court, sustained by the court of appeals, that while each element of the patented device was old, the patent was valid as involving a new and useful combination.

The court of appeals here simply followed this precedent. Its finding of obviousness of the patents in suit as a matter of law does not present any question of such importance or such departure from the usual and accepted course of judicial proceedings as to warrant review by this Court.

In any event, the court of appeals, in reviewing whatever findings the district court made bearing on obviousness or nonobviousness of the patents in suit, must have been left with the definite and firm conviction that a mistake had been committed, and hence that there was something clearly erroneous in the district court's findings. *United States v. United States Gypsum Co.*, 333 U.S. 364, 395 (1948). No doubt, this conviction resulted, in part, from the court of appeals necessarily recognizing that:

> (a) As to any finding that the Lokey bag was siftproof and leakproof, petitioner itself argued in the Patent Office for allowance of the Goodrich reissue applications on the basis that the *Lokey bag sifts and leaks* (R Appendix Vol. III 308, 361). The error in any such finding is made even more evident by petitioner's petition for rehearing to the court of appeals (A 75-87) in which petitioner alleged on one page (A 83) that the Lokey bag was "sift and leakproof" but admitted three pages later (A 86) that the Lokey bag sifts and leaks.

> (b) Each of the Goodrich reissue patents makes specific reference to the use of a completely sealed inner plastic sack as a feature of the Goodrich bag to seal in the contents of the bag to prevent sifting and leaking, exactly the same as found in the Windmöller and Hölscher French patent 1,227,176 (A 62, col. 4, lines 25-44; A 72, col. 5, lines 6-24).

IV. **The Court of Appeals Did Not Overlook the Alleged Advantages of the Patented Bags.**

The court of appeals held the patents in suit invalid for obviousness notwithstanding its specific recognition of petitioner's allegations of advantages of the patented bags over the prior art. Thus, the court of appeals stated in its opinion (A 1-2):

> "All three patents claim the invention of specialized bags which prevent leaking and sifting better than previously existing bags. We do not find the bags to be nonobvious within the meaning of 35 U.S.C. § 103, and therefore reverse the judgment of the district court which held the patents valid."

Petitioner's allegation that the court of appeals overlooked the alleged advantages misstates the case.

V. **The Interests of Justice Demand an End to This Litigation, Not a Remand.**

As shown in sections I and II of this brief, the court of appeals has not created any new law, much less made such a change in the law as would justify petitioner's request for a remand so that it may have a second attempt at trying the case. The situation is wholly distinct from the situation in the *Blonder-Tongue* case cited by petitioner. In that case this Court expressly overruled a thirty-five-year precedent and remanded the case so that the petitioner could replead in the light of the changed rule of law.

VI. Petitioner Should Not Be Heard to Argue for a Lower Standard of Patentability for Articles of Manufacture.

The import of petitioner's arguments re "machine" vs. "article of manufacture" (P 10-11) is that petitioner is asking this Court (a) to declare that the standard of patentability which this Court has enunciated in *Great Atlantic & Pacific Tea Co., supra, Anderson's Black Rock, supra,* and *Sakraida, supra,* is not applicable to articles of manufacture, and (b) to set a lower standard. Even if this Court has not specifically stated that the standard enunciated in these cases is applicable to articles of manufacture, the absence of such a statement does not constitute a basis for the grant of certiorari. Petitioner has not cited and a search by respondent has not revealed any court of appeals decision in conflict with the instant decision, *i.e.,* any case where a court of appeals has found the synergism test inapplicable to articles of manufacture. As a matter of interest, in harmony with the instant decision below, the test was applied to items which are definitely articles of manufacture in *Aluminum Co. of America v. Amerola Products Corp.,* 552 F.2d 1020 (3d Cir. 1977) (metal ball bat), and *Dickstein v. Seventy Corp.,* 522 F.2d 1294 (6th Cir. 1975) (baseball helmet). There is no real likelihood that a conflict will ever arise on this narrow issue.

Under the statutes prescribing "Conditions for patentability," viz., 35 U.S.C. §§ 102 and 103, no distinction whatsoever is made between the various classes of patentable inventions specified in 35 U.S.C. § 101. Separate rulings of this Court on the conditions of patentability for each and every class are not needed; all classes are subject to the same conditions. Indeed, this Court long ago in *Union Paper Collar Co. v. Van Deusen,* 90 U.S. (23 Wall.) 530 (1875), made it clear that the conditions for patentability were the same for articles of manufacture as for machines, et cetera, stating (p. 563):

> "Nothing short of invention . . . will support a patent for a manufacture any more than for an art, machine or composition of matter, for which proposition there is abundant authority in the decisions of this Court."

If a ruling is needed specifically on articles of manufacture, then it logically follows that a ruling would be needed on each of the statutory classes of invention set forth in 35 U.S.C. § 101, *i.e.,* "process, machine, manufacture, or composition of matter, or any new and useful improvement thereof," on which a petitioner might allege no ruling had been made. This Court need not waste its time on such rulings. Moreover, respondent submits that having a lower standard of patentability for articles of manufacture than for machines would plague courts with deciding whether patents in suit relate to articles of manufacture as distinguished from machines (often a blurred distinction). For example, was the checkout counter in *Great Atlantic & Pacific Tea Co., supra,* an article of manufacture or a machine?

CONCLUSION

For the foregoing reasons it is respectfully submitted that the Petition for Writ of Certiorari should be denied.

Respectfully submitted,

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